Vote No. 248

June 9, 1995, 11:58 a.m. Page S-8068 Temp. Record

TELECOMMUNICATIONS/Additional Deregulation

SUBJECT: Telecommunications Competition and Deregulation Act of 1995 . . . S. 652. Dole modified amendment No. 1255.

ACTION: AMENDMENT AGREED TO, 77-8

SYNOPSIS: As reported, S. 652, the Telecommunications Competition and Deregulation Act of 1995, will amend

telecommunications laws and reduce regulations in order to promote competition in the telecommunications industry by eliminating barriers that prevent telephone companies, cable companies, and broadcasters from entering one another's markets. It will also permit electric utilities to enter the cable and telephone markets. Judicial control of telecommunications policy, including the "Modified Final Judgment" regime, will be terminated.

The Dole modified amendment would combine the provisions of a Dole amendment and a Daschle/Hollings amendment to make the following changes:

- elements of the Modification of Final Judgment not superseded or overridden by this act would be administered, and modified as need be, by the Federal Communications Commission (FCC);
 - the GTE (General Telephone Electronics) consent decree would be superseded by this Act and would no longer be enforced;
- the provision would be stricken that states that the minimum services that must be provided under universal service (affordable service to all Americans) requirements will be those services that a substantial number of Americans have subscribed to through the free market; universal service would only include essential services;
 - greater deregulation of small cable companies would be provided;
- the restrictions on the number of television stations and AM and FM radio stations that may be owned by one entity would be eliminated;
- additional specific regulatory burdens would be removed, and an expedited process for considering requests for forbearance would be adopted;
 - the FCC would be permitted to participate in the development of voluntary standards to promote telecommunications

(See other side)

YEAS (77)				NAYS (8)		NOT VOTING (14)	
Republican (42 or 98%)		Democrats (35 or 83%)		Republicans (1 or 2%)	Democrats (7 or 17%)	Republicans (10)	Democrats (4)
Abraham Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Grams Grassley Gregg	Hatch Hatfield Hutchison Inhofe Jeffords Kassebaum Kempthorne Lott Lugar McCain McConnell Nickles Packwood Pressler Roth Santorum Smith Snowe Thompson Thurmond Warner	Akaka Baucus Bingaman Breaux Bryan Bumpers Daschle Dodd Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kerrey Kerry Kohl Lautenberg Leahy Levin Mikulski Moseley-Braun Moynihan Murray Pell Pryor Reid Robb Sarbanes Wellstone	Murkowski	Bradley Byrd Conrad Dorgan Lieberman Rockefeller Simon	Ashcroft- ² Coverdell- ² Gramm- ² Helms- ² Kyl- ² Shelby- ² Simpson- ^{2AY} Specter- ² Stevens- ² Thomas- ² VOTING PRE Mack EXPLANAT 1—Official 1 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	TION OF ABSENCE Buisiness ily Absent nced Yea nced Nay Yea

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network-level interoperability;

• no local exchange carrier (phone company) would be allowed to own more than 10 percent of a cable company within its exchange area; no cable company would be allowed to own more than 10 percent of a phone company in its cable franchise area; a cable operator and a local exchange carrier would not be allowed to enter into a joint venture to provide telecommunications or video programming services within that area; these restrictions would not apply to areas with fewer than 50,000 residents or non-urban areas, and the FCC would have some waiver authority;

- a company's rates for upper tiers of cable service could only be found unreasonable if they substantially exceeded the rates charged by other companies, other than small companies, for comparable services, as determined on a per-channel basis as of June 1, 1995, and as redetermined every 2 years;
- the provision allowing deregulation of a cable company after a phone company starts offering cable service in its area would be modified to require that the service being offered must be comparable; and
- small telephone companies would be permitted to jointly market local exchange service with long distance providers that carry less than 5 percent of the Nation's long-distance service.

Those favoring the amendment contended:

This amendment is a leadership amendment. Senators from both parties have worked diligently to make certain that these provisions are acceptable to a majority of Senators. It combines provisions from the Dole amendment with the provisions from a Daschle/Hollings amendment. It is intended to improve the bill's deregulatory nature. Some of the improvements merit special mention. First, the amendment would end all rate regulations on small and rural cable companies. These companies are under severe financial stress from attempting to comply with regulations, and that stress is being greatly exacerbated by the emergence of direct broadcast satellite (DBS) services. Second, the amendment would eliminate restrictions on the number of television stations that any one entity may own (12), but would retain the 35-percent national audience reach limitation. Third, it would eliminate ownership restrictions on radio. This elimination is advisable in order to allow stations to reach the economy of scale that they need to be able to compete with some of the new radio services that are being offered via satellite. However, the amendment would also allow the FCC to deny additional radio licenses to a company that it determined was gaining undue concentration. Fourth, the amendment would totally get rid of the GTE consent decree, which came about because of GTE's purchase of Sprint. GTE has since divested itself of Sprint, so this bill's transfer of authority over that decree from the courts to the FCC makes less sense than simply getting rid of the decree. Fifth, the amendment would get rid of unnecessary regulations and functions currently performed by the FCC, and it would require it to forbear from regulating when competition develops. Sixth, it would narrow the definition of "universal service" to provide that only essential services would be included. This narrowing would exclude entertainment services and equipment from the definition. These changes, and the other changes in the amendment, would improve the deregulatory nature of this bill in areas that were overlooked in S. 652's drafting. We are pleased to recommend its approval to our colleagues.

No arguments were expressed in opposition to the amendment.